

**Virginia Energy Purchasing Governmental Association
(VEPGA)**

County Manager's Conference Room
Henrico County Administration Building
4301 East Parham Road
February 6, 2015
9:30 A.M.

Approved Minutes

Present were board members Susan Hafeli (vice chair), Fairfax County; Michael Barancewicz, Loudoun County Schools; Bill Eger, City of Alexandria; Lori Herrick, City of Virginia Beach; Wayne Lassiter, City of Richmond; John Morrill, Arlington County; Jim Morris, Virginia Beach Public Schools; Rick Raike, Hampton Roads Sanitation District; Tom Reinsel, Fairfax County Schools; Najib Salehi, Loudoun County; Dave Simmons, Gloucester County Schools; Jerry Spivey, City of Norfolk; and Mark Tschirhart, York County Schools.

Also present were VEPGA members Tom Alford, Henrico County; Seth Austin, Chesterfield County; Larry Burkett, City of Richmond; Cathy Lin, Arlington County Schools; John Neal, Henrico County; Mark Podolinsky, City of Virginia Beach; Julia Reynolds, Chesterfield County; and Aida Velasquez, MWAA.

Also present were VEPGA counsel Louis Monacell and Cliona Robb with Christian & Barton, VEPGA consultant Glenn Watkins with Technical Associates; and VEPGA Secretary/Treasurer Joe Lerch with the Virginia Municipal League.

I. Call to Order

Susan Hafeli called the meeting to order at 9:41 a.m.

The first order of business was to respond to the request by Mike Barancewicz to participate by phone. Joe Lerch explained that under the Virginia Freedom of Information Act the VEPGA board would have to approve of the request.

A motion was made by Bill Eger and seconded by Najib Salehi to approve the request. It passed unanimously. Mr. Barancewicz was notified by email of the approval and subsequently called in from his office at 1002-C Sycolin Road in Leesburg, VA. 20175. This is the Facilities Services Office building for Loudoun County Public Schools.

II. Approval of Minutes of Previous Meeting (11/7/14)

A motion to approve the minutes from November 7, 2014 meeting was made by Tom Reinsel and seconded by Dave Simmons. The motion passed unanimously.

III. Additions to the Agenda

There were no additions to the agenda.

Susan Hafeli then asked that the board take up Item V B, out of order, in executive session.

Tom Reinsel made a motion seconded by Najib Salehi to enter into a closed meeting under Code of Va. § 2.2-3711(A)(7) to consult with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. The motion passed unanimously.

Tom Reinsel made another motion seconded by Najib Salehi to permit non board member VEPGA member representatives to attend, as their presence will reasonably aid the board in its consideration of the bargaining position and negotiating strategy as allowed under Code of Va. § 2.2-3712(F).

The board then came out of executive session and took a roll call vote to certify that (i) only business matters lawfully exempted from open meeting requirements under these chapters and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting of the public body.

Roll Call

<i>Mr. Barancewicz</i>	<i>Aye</i>
<i>Mr. Eger</i>	<i>Aye</i>
<i>Ms. Herrick</i>	<i>Aye</i>
<i>Mr. Lassiter</i>	<i>Aye</i>
<i>Mr. Morrill</i>	<i>Aye</i>
<i>Mr. Raike</i>	<i>Aye</i>
<i>Mr. Reinsel</i>	<i>Aye</i>
<i>Mr. Salehi</i>	<i>Aye</i>
<i>Mr. Simmons</i>	<i>Aye</i>
<i>Mr. Sinclair</i>	<i>Aye</i>
<i>Mr. Spivey</i>	<i>Aye</i>
<i>Mr. Tschirhart</i>	<i>Aye</i>

A motion was made by Tom Reinsel, seconded by John Morrill, to utilize estimated overpayments in fuel costs to arrive at an overall increase in rates of 2.5 percent effective July 1, 2015. The motion passed unanimously.

A motion was made by Najib Salehi, seconded by Tom Reinsel, to utilize a proportional method in allocating the increase by rate schedule. The motion passed unanimously.

IV. Committee Updates

A. Energy Efficiency & Conservation

Susan Hafeli provided a summary of the presentations at the December meeting.

Scott Zintz with Independent Stationers, an office supply provider, explained how plug-and-play LED lights can fit into existing ballasts, using 15-18 watt linear LED tubes.

Mike Gurganis gave a presentation on Virginia Dominion Power's Solar Partnership Program. It was approved by the SCC in 2012 for the installation of 30 megawatts of power valued at \$80 million in capital costs. Four projects have been completed and two more are underway.

Avery Ash with AAA gave a presentation of gasoline prices. And Cliona Robb gave a summary of a joint meeting of the General Assembly's Labor & Commerce committees to discuss the proposed EPA Clean Power Rule 111(d).

The next meeting of the committee is scheduled for February 19th and will include finalizing the agenda and details for the VEPGA annual meeting.

B. Budget & Finance – Proposed FY 2016 Budget

Susan Hafeli announced that David Baker was stepping down from the board to pursue other interests. Jerry Walker has appointed Wayne Lassiter as the new chair of the budget and finance committee. She noted that Wayne has been with the City of Richmond for more than 16 years. For the first 12 years, he was the controller of Richmond's enterprise funds which includes 5 utilities. For the last 3 and 1/2 years, he served as the Chief Financial Officer of the entire city.

Wayne Lassiter presented the proposed budget for the upcoming fiscal year as recommended by the committee. He noted that compared to the current budget, the proposed budget has decreases of \$20,000 and \$5,000 respectively for legal services and technical consulting.

A motion was made by John Morrill, seconded by Najib Salehi, to adopt the proposed budget. The motion passed unanimously.

C. Joint Action Committee

Joe Lerch said that due to a scheduling conflict Jerry Riddick unable to attend the meeting. There have been no JAC meeting since the last VEPGA Board meeting. As such, there were no updates to report.

The board adjourned for lunch at 11:51 a.m.

The board reconvened at 12:36 p.m.

V. Legal Update

A. General Assembly Update

Referring to a handout Cliona Robb reported on SB 1349 presented by Senator Frank Wagner as a measure to protect consumers from EPA's proposed 111(d) rule. The bill has passed both chambers. She noted that the legislation has little to do with 111(d) and does away with the biennial review for both Dominion Virginia Power and APCo. The

legislation also freezes Dominion's base rate till the end of 2022. In the last biennial review it was determined that Dominion over earned by \$280 million per year.

John Morrill asked if whether this weakens the utility's argument that the cost of solar power is borne by all customers. Cliona answered that it might. He also asked if there is a chance the governor might veto the bill. She said that was still in question.

Bill Eger inquired about SB 1334 and HB 2274 allowing a rate adjustment clause for APCo. Cliona responded that APCo is seeking this RAC to pay for tree-trimming along its distribution lines.

B. Update on January 25, 2015 Riders

(The board previously covered this item in earlier executive session)

C. Summary of Benefits

Referring to a handout Cliona Robb summarized a draft statement of benefits to be included in members annual assessments. The board agreed on several amendments to the statement. Christian & Barton will revise the document to reflect the amendments and it was agreed to also send to the members via email in conjunction with mailed annual assessments.

VI. Annual Meeting Planning

Susan Hafeli reported on the progress to date for the May 7th annual meeting in Virginia Beach. The board discussed various ideas for keynote speakers on topics related to energy infrastructure. The board also discussed including in the agenda a panel discussion on member energy efficiency projects.

Two options for a tour on the afternoon of May 6th include the Norfolk Naval Station's 2 megawatt solar installation or the Chesapeake Bay Foundation's Brock Environmental Center.

VII. Current Roster of VEPGA Members

Joe Lerch reported no new additions or subtractions to the roster since the last meeting.

VIII. Adjournment

The meeting adjourned at 1:48 p.m.

Respectfully submitted,



Joe Lerch
Secretary